



Physician
Resource Guide

Physicians in Practice Committee

Mission:

The American Academy of Osteopathy has developed a “Physicians in Practice Resource Guide” to provide information and assistance to physicians early in their careers for establishing, growing, and managing successful practices. This guide has been developed with the osteopathic physician in mind to help support a practice that encompasses osteopathic manual medicine, whether they have a manipulation-based practice, a primary care practice or a specialty practice with a manipulation component.

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Practice Establishment

1. **Professional Advisors:** Obtain professional advisors for financial, legal and tax aspects of your life and business. This may include three or more advisors such as a CPA, investment professional and an attorney, or obtaining the services from a firm of professionals.

- a. The higher your income the more value you will receive from proper management and planning by skilled professionals. Areas for which you may find yourself in need of expert advice include:
 - i. Personal insurance; life, disability, property;
 - ii. Individual tax returns;
 - iii. Paying back debt: school loans, etc.;
 - iv. Financing for dependant's education;
 - v. Estate tax planning and constructing a will;
 - vi. Retirement planning;
 - vii. Real estate sales; and
 - viii. Income structure (salary vs. bonus) or deferred compensation.

If you decide to start your own practice, you will need to understand

- 1. Corporate structure;
 - 2. Corporate tax return, payroll tax;
 - 3. Buying or selling a practice.
- b. If you currently have a CPA and/or an attorney, you should consider getting a second opinion from another as your professional and personal needs grow. Many physicians' needs evolve as their careers progress and the advisors that they started with in residency may no longer have the necessary expertise. Questions that you may consider when evaluating your current needs:
 - i. How did you choose your current advisors?
 - ii. How many professionals did you interview prior to selecting you current advisors?
 - iii. Have you interviewed other advisors as your needs have changed?
- c. Where to start your search for a professional advisor team? There is no easy answer. Search for various advisors in your area using the internet, your state medical society, or ask for recommendations from other professionals. Review the credentials of a prospective advisor to see what their qualifications are. Consider placing a phone

call to ask a few screening questions and possibly set up an in-person interview. Interview more than one advisor so you will be able to make a comparison between individuals and their services. Be specific with what your needs are currently and consider future needs. Ask to see a portfolio of their services and be sure that they are experienced in the areas you are seeking their advice.

2. **Business Entity Determination:**

- a. While several forms of business entities exist, the corporation format is a preferred structure. The difference between a PC and a PLLC is outlined below and either one is a good choice depending on your individual needs. Your lawyer or accountant will help you decide which is best.
- b. Professional Corporation (PC) vs. a Professional Limited Liability Corporation (PLLC):

The Professional Corporation (PC) and Professional Limited Liability Company (PLLC) are the formations of choice for many business owners who work in accounting, law, medicine, architecture, engineering and related fields. These business entities can help licensed professionals protect their personal assets against lawsuits brought against their practices.

State laws vary, but PCs and PLLCs usually share these characteristics:

- Owners are required to be licensed in the same profession.
- Proof of licensing is often required for state approval.
- States may require entity-specific endings for your company name ("PC" for a Professional Corporation and "PLLC" for a Professional Limited Liability Company, for example).

It's important to note that by forming a Professional Corporation or Professional Limited Liability Company, owners are not free from personal liability for malpractice or other suits brought against them. However, these formation types do protect owners from the malpractice of other owners within the company. Be aware, too, that not all states recognize the PLLC entity.

In addition, PCs and PLLCs are taxed differently. PCs are generally taxed like a C-Corporation, with the PC paying taxes at the corporate rate, which can lead to double taxation. PLLCs, on the other hand, are taxed like LLCs, which generally have pass-through taxation of the members. You may wish to consult with a tax advisor before forming either a PC or PLLC to determine the best tax treatment for your company.

3. Employer Identification Number (EIN):

Much like a Social Security Number, an Employer Identification Number (EIN) is a federal nine-digit number that identifies a business entity. The Internal Revenue Service (IRS) issues EINs and requires their use on all tax filings during the entire life of a business. EIN's may also be referred to as a Tax Identification Number (TIN) or Federal Employer Identification Number (FEIN). As a general rule, it's good for all businesses, with the exception of sole proprietorships without employees, to have an EIN.

The IRS generally requires the following types of businesses to obtain an EIN:

- All corporations;
- All Limited Liability Companies (LLCs) with more than one member;
- Any business that hires employees, including sole proprietorships and single-member LLCs.

For many business owners, obtaining an EIN is one of the first things they do after incorporating or forming an LLC. Along with tax filings, businesses often need an EIN in order to:

- open business checking accounts
- establish accounts with certain vendors

An online resource for obtaining an [EIN is "incorporate.com"](https://www.irs.gov/efile)

4. State Licensure:

- a. The FSMB has a list of links to the [state medical boards](#). Visit the state website for details on obtaining a medical license.
- b. Apply several months before you plan to start practicing. Depending on the state, it can take up to six months to get a license. Starting early will save you a lot of stress.

5. National Provider Identification (NPI) Number:

- a. [Resource page on obtaining an NPI.](#)
- b. [Visit the National Provider Identification page to setup and manage your account. Link =
https://nppes.cms.hhs.gov/NPPES/Welcome.do.](#)

6. Drug Enforcement Agency (DEA) Number:

- a. Requires NPI, Tax ID or EIN, controlled substance registration number (if applicable), license number and a fee of \$731 (for 3 years).
- b. [Visit the U.S. Department of Justice webpage for obtaining a DEA number.](#)

7. Malpractice Insurance:

- a. The [Federal Tort Claims Act \(FTCA\)](#) may be an option for your malpractice insurance if you qualify as a primary care office or a health center. Visit the webpage for more information.
- b. Two typical forms of malpractice are claims made and occurrence. You may consider estimating the cost of either policy type to estimate which would be the least expensive based on your practice environment and individual needs.
 - I. Occurrence policy: This policy will cover malpractice that occurs when you had the policy, even if the claim is made after your policy expires. The downside of this type of policy is that it will have a higher premium compared to a claims made.
 - II. Claims made policy: This policy will cover malpractice that occurs when you have the policy and not after it expires. This will leave you vulnerable after your policy expires and therefore you will need to purchase a “Tail Coverage” policy. The tail policy is usually a one-time fee and is paid for at the end when you leave the claims made carrier. The claims made policy premium is less expensive at first (good for new doctors), but increases each year until it reaches a maximum rate/maturity (usually 3-5 yrs).
 - III. The AOA offers collaboration with some carriers to provide an OMM policy with lower rates than FP, PM&R policies. Contact the AOA for more information.

8. Electronic Health Records (EHR):

- a. The AOA is a good source for information to learn more about the [Medicare EHR incentive programs](#). This is a broad topic and has overlap into electronic prescribing. Depending on the size and scope of your practice you may not be able to operate without an EHR.
- b. Several osteopathic physicians have recommended Practice Fusion (www.practicefusion.com). This is a free and fairly easy to use EHR.

9. Business Bank Account and Credit Card:

- a. Set these up as soon as your PC/LLC is established. It is best to keep all business expenses separate from personal expenses. If you need to use personal funds to pay business expenses you can “loan” the money to your business.

Networking

Attracting Referrals:

1. The physician liaison approach is an effective method for attracting referrals. As a specialist, over half of your new patients will likely come from provider referrals and patients that appreciate your work. Maintaining and growing strong referring relations will improve the success of your practice by creating a source for new patients. A liaison is your representative in the community to promote clinical services, treatments and providers in your practice. The liaison is a dedicated professional focused on strengthening relationships with loyal referring practices and establishing new relationships with non-referring practices. For many NMM/OMM specialists who are in a solo or small practice and need to spend work hours treating patients, the benefits of a liaison to promote their skills can be invaluable. The benefits of a liaison include:
 - Increase patient referrals from existing loyal providers;
 - Secure new business from non-referring providers;
 - Create strategic promotion of desired services/treatments, specifically your NMM/OMM skill set;
 - Strengthen your reputation;
 - Position you as an expert in your field among peers;
 - Manage negative feedback in a prompt manner;
 - Keep an ear in the marketplace to anticipate changes.

2. Present a “Grand Rounds” lecture at the local hospital.
 - Choose a topic on which you are an expert, and position yourself as such during the presentation.
 - Offer to accept patient referrals for this and similar conditions.
 - Leave information about the topic along with your practice and contact information.

Marketing:

1. New Physician to the general public

- i. Volunteering as a high school sports physician may help attract both a pediatric and athletic patient population to your practice.

2. Areas not familiar with an osteopathic provider

- i. Patient to patient – Word of mouth may be the most important and valuable form of marketing. Educate/encourage your patients to recommend your services to their family and friends.
- ii. Provide information in your waiting room for patients to take and share with friends and family. Refer patients to the AOA, AAO and OCA web pages. Create your own web page that explains the osteopathic philosophy and your personal approach to patient care.
- iii. Introduce yourself at a local community group or nursing home. Give a presentation on a specific disease and how you have a unique set of skills to treat it. This educates potential patients, provides you with an opportunity to pass out business cards, and introduces you to the community.
- iv. Contact lactation consultants, midwives or doulas if you are interested in maternal/infant care.

3. To patients not familiar with a cash practice

- i. Educate patients on how they may submit your bill with E&M code to their insurance company for full or partial reimbursement after they have met their deductible, depending on their insurance.
- ii. Explain to your patients that their health insurance is a contract between the patient and the health insurance company. You may enter into a relationship to treat your patient, but it will be their responsibility to obtain reimbursement from their insurance company.

Integrating OMM

Supporting the primary care physician who wants to utilize OMM in their practice.

1. Practice benefits of OMM

- i. Improved patient care/patient base.
- ii. Additional reimbursement for OMM.
- iii. Patients are often looking for healing options/ answers/ medical help without the use of medications/surgery.
- iv. The results you get from OMM and searching for the cause of their ills are rewarding for you as well as the patient.

2. Would I have to change my patient schedule?

- i. Possibly, depending on the nature of a complaint. Simple treatments, such as, URI can be addressed in a standard 15- to 20-minute visit. Even acute uncomplicated back pain can be treated using OMT in standard office visit time allotment. This could be an excellent opportunity to introduce a patient to OMM, treat the pelvis, sacrum and lumbar region and then have the patient return for a further evaluation and treatment at a later time.
 - If you start to incorporate OMM into each applicable office visit, you will begin to realize that performing an evaluation and treating one or two (or over three to four) areas is completely reasonable in a routine office visit time allotment. Obviously there will be a learning curve and determining which treatments are the most efficient and effective will take time.
- ii. Another option would be to designate a specific set of office hours to OMT, such as a Wednesday afternoon. A suggestion would be to schedule patients for 30-minute visits, plan to complete an office visit (99213 or 99214) along with a full OMM treatment (up to 7-8 or even 9-10 areas to obtain a 98928 or 98929 respectively, if needed).

3. Educating patients about osteopathic treatments

- i. Use the AOA as a great source for patient education. Refer patients to the AOA web site "[What is a D.O.](#)", print off information to hand to patients, order brochures, or if you utilize a secure means of electronic communication, email the patient a link.
- ii. [The Osteopathic Cranial Academy \(OCA\)](#) has an excellent series of informational web pages on osteopathic philosophy, history and

treatments. Also, if you have taken a 40 hour basic cranial course make sure to sign up with the cranial academy as they have a directory for physicians that practice OMM/Osteopathy in the cranial field. This is a great resource for patients and referring physicians to find you.

4. What do patients need to know about OMM?

- i. Setting realistic expectations
 - Not all patients will feel better, especially after their first visit when you need to take a detailed H&P. This is the time to start a dialogue with the patient about what their expectations are for treatment.
 - Consider informing the patient that they may actually feel sore for a day or two after treatment, especially when they had significant restrictions removed over the course of the treatment.
 - Suggest drinking plenty of water because it may help to prevent such soreness by “flushing” lactic acid and other pain mediators from the body.
 - Let patients know that it may take several visits before their concern is resolved. For a chronic issue you may suggest "I like to tell patients to make the next available appointment and a few more weekly appointments after that to see if we can get somewhere with the complaint." For a more acute issue the patient may need to be seen more than once a week or re-evaluated.
- ii. Establishing time length of visit
 - For example, 45 minutes for a new patient, 30 minutes for an established patient.
- iii. Attire
 - Patients don't know not to wear jeans or other restrictive clothing unless you tell them. Consider having a pair of scrubs available for patients to use.
 - Be aware that wearing perfume or cologne may bother some patients who are highly allergic to perfumes or easily irritated by the smell.